



August 13, 2014

Item No. 7

**AUTHORIZATION TO ENTER INTO CONTRACTS WITH ILLINOIS LICENSED ATTORNEYS TO ACT AS HEARING OFFICERS AND PRESENTERS FOR THE CHA HOUSING CHOICE VOUCHER INFORMAL HEARING PROGRAM**

**To the Honorable Board of Commissioners:**

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into contracts up to 15 months with a one-year option with Illinois licensed attorneys to act as hearing officers and presenters in an aggregate amount of \$1,320,000 for the initial term of October 1, 2014 – December 31, 2015 for the CHA Housing Choice Voucher (“HCV”) Informal Hearing Program (“IHP”).

The Chief Legal Officer and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

**CORPORATE MISSION**

To leverage the power of affordable, decent safe and stable housing to help communities thrive and low-income families increase their potential for long-term economic success and a sustained high quality of life.

**FUNDING**

CHA General Fund

**M/W/DBE Participation:** Not feasible

**Section 3:** Not Feasible

**GENERAL EXPLANATION**

Pursuant to *Goldberg v Kelly* 397 US 254, 24 CFR 982.555 et.al, and the CHA Administrative Plan, Chap. 16, the Authority must offer informal hearings for certain CHA determinations relating to the individual circumstance of a participant family which may affect the status of their vouchers.

Prior to 2011, the IHP was managed by one of CHA's contracted vendors. This model proved problematic in that the vendor was not holding a sufficient number of hearings in a timely manner, and it was difficult to determine whether the hearing officer was, as HUD requires, someone other than a person who had made or approved the decision under review, [24 CFR 982.555 (e)]. As a result:

- A backlog of cases went unaddressed for approximately 18 months;
- HAP payments were continuing to be made on behalf of non-compliant families during the lengthy waiting period for hearings; and
- A significant number of the informal hearing decisions appealed by CHA HCV program participants to the Circuit Court of Cook County were being reversed, calling into question the integrity of the CHA HCV informal hearing process and program.

In January 2011, the CHA IHP was brought in-house through the recommendation of the General Counsel. In April 2011, 15 attorneys were recruited as temporary employees to act as HCVP hearing officers and presenters for the IHP on an hourly basis. The new program model proved successful but costly. Then in October 1, 2012, the program model was revised. The hearing officers and presenters were made independent contractors and were given contracts for a one-year term with a one-year option on a flat-fee per case basis, which resulted in a 2/3 reduction in cost per case. In October 1, 2013, the CHA exercised the contracts' option year with the hearing officers and presenters. The current contracts expire September 30, 2014.

The OGC anticipates it will offer new contracts to the current hearing officers and presenters, but also reserves the right to not offer one or more of them contracts. The OGC will retain new attorneys, as required for the IHP, to act as hearing officers and presenters, who are recommended by the OGC's legal recruiter and then further screened by the OGC.

The Board action recommended in this item, complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Chief Legal Officer concurs with the recommendation to enter into contracts up to 15 months with a one-year option with Illinois licensed attorneys to act as Hearing Officers and Presenters in an aggregate amount of \$1,320,000 for the initial term of October 1, 2014 – December 31, 2015 for the CHA Housing Choice Voucher Informal hearing Program.

The Chief Executive Officer recommends the approval to enter into contracts up to 15 months with a one-year option with Illinois licensed attorneys to act as Hearing Officers and Presenters in an aggregate amount of \$1,320,000 for the initial term of October 1, 2014 – December 31, 2015 for the CHA Housing Choice Voucher Informal Hearing Program.

**RESOLUTION NO. 2014-CHA-83**

**WHEREAS,** the Board of Commissioners has reviewed the Board Letter dated August 13, 2014 entitled "AUTHORIZATION TO ENTER INTO CONTRACTS WITH ILLINOIS LICENSED ATTORNEYS TO ACT AS HEARING OFFICERS AND PRESENTERS FOR THE CHA HOUSING CHOICE VOUCHER INFORMAL HEARING PROGRAM."

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT** the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into contracts up to 15 months with a one – year option with Illinois licensed attorneys to act as hearing officers and presenters in an aggregate amount of \$1,320,000 for the initial term of October 1, 2014 – December 31, 2015 for the CHA Housing Choice Voucher Informal Hearing Program.



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